

BUDGET, FINANCE & INVESTMENT COMMITTEE

November 7, 2013

5:30 P.M.

Courthouse

MINUTES:

<u>Members Present:</u>	<u>Others Present:</u>	<u>Others Present:</u>	<u>Others Present:</u>
Comm. Charlie Baum	Ernest Burgess	Gary Clardy	Paul Lamb
Comm. Joe Frank Jernigan	Teb Batey	Jeff Sandvig	John Black
Comm. Will Jordan	Comm. Jeff Jordan	Don Odom	Gale Vogel
Comm. Robert Peay	Lisa Nolen	Aaron Holladay	Mark Tucker
Comm. Steve Sandlin	Melissa Stinson	Jeff Davidson	
Comm. Doug Shafer	Lynn Duke	Elaine Short	
Comm. Joyce Ealy, Chr.	Mike Nunley	Mike Woods	

Chairman Ealy presided and called the meeting to order with all members being present.

APPROVE MINUTES:

Comm. Jordan moved, seconded by Comm. Shafer to approve the minutes of the October 10, 2013 Budget Committee meeting as mailed

The motion passed unanimously by acclamation, with Comm. Sandlin not present at this time.

INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that there was a new bidder, Capital Bank, this month, at .30% for one year, which was 5 basis points above the previous rate on the CD. The LGIP interest rate for the month was .09%.

Comm. Jernigan moved, seconded by Comm. Peay to approve the Investment Report as presented.

The motion passed unanimously by acclamation, with Comm. Sandlin not present at this time.

FUND CONDITION REPORT:

The Finance Director presented the monthly Fund Condition Report for the use and information of the committee advising that the Development Tax collections for the month of October totaled \$505,500 with the year-to-date collections being \$1,390,500. This amount was up significantly over previous months, with the increase being 204 apartments in Smyrna. This compared to the previous year when the monthly Development Tax collections were \$146,250, and the year-to-date collections were \$534,000.

The committee reviewed the fund cash balances totaling \$135,418,277 with operating funds being \$123,783,000 and borrowed funds being \$11,635,276. This compared to the same period last year when the total cash balances were \$147,875,813 with operating funds being \$121,458,937 and borrowed funds being \$26,416,876.

The Finance Director noted that the interfund loan for \$7.4 million had been moved from the Debt Service Fund to the Blackman Middle Annex project line item during October.

The Finance Director advised that the Sheriff office space acquisition would be closed out by the end of the month when the final payments are made.

The Finance Director reviewed the revenue collections advising that the General Fund revenue was at 21.72% of budget, which is at a level higher than previous years to this point. This is due to increase in wheel tax and development tax collections.

It was also noted that sales tax collections for the county as a whole were up by 5%, but rural area collections were up by 23%.

Following review, Comm. Jernigan moved, seconded by Comm. Jordan to approve the Fund Condition Report as presented.

The motion passed unanimously by acclamation.

RISK MANAGEMENT FINANCIAL REPORT:

Ms. Melissa Stinson, Risk Management Director, presented the monthly Risk Management Financial Report for the use and information of the committee advising that the cost per employee per month for the medical, dental and vision program was \$746.18 compared to \$964.99 for the prior year. The average cost per month was \$839.35 compared to \$883.25 for the prior year. When including the on-site medical clinics, the average cost per employee per month was \$878.35 compared to \$914.14 for the prior year for a trend of -3.9%.

For the Work Injury Fund performance, the year-to-date claims totaled \$162,280.99 compared to \$315,810.49 for the prior year.

Comm. Peay inquired as to the effect of the Affordable Care Act on the county insurance program. Ms. Stinson stated that about 3% of the 2014 increase in premium was related to the Act because of the mandated changes in the benefit structure.

Comm. Sandlin moved, seconded by Comm. Peay to approve the Risk Management Financial Report as presented.

The motion passed unanimously by acclamation.

REQUEST FROM SMYRNA/RUTHERFORD COUNTY AIRPORT AUTHORITY TO ADJUST LOAN:

The Finance Director reviewed the current loan with the Airport Authority that dates back to 1999, which was \$639,724, with an additional amount loaned to the Authority of \$402,207 in 2006. Payment on this loan is \$6,600 per month at 6% interest. The current balance of the loan is \$362,930.

Mike Woods, Chairman of the Authority, stated that the Authority is working on funding with different agencies to complete the next phase of an expansion. He stated the Authority had secured a \$4.5 million grant from the FAA and needed to adjust the current loan to make the project debt service plan work.

John Black, Authority Executive Director, stated that the current loan is due in about 5.5 years and they would like to extend that by 4.5 years, which is the due date of the Town of Smyrna loan, and also lower the interest rate from 6% to 2%. This would change the monthly payment to \$3,350.

Comm. Peay moved, seconded by Comm. Jordan to reduce the interest rate on the loan to 2%, extend the life of the loan 4.5 years and set the payment at \$3,350 per month.

The motion passed unanimously by roll call vote.

RESOLUTION AUTHORIZING \$2.5 MILLION GO BOND FOR THE AIRPORT AUTHORITY, APPROVING THE ISSUANCE OF \$4.2 MILLION AIRPORT REVENUE BONDS OF THE AIRPORT AUTHORITY, AND AMENDING THE COUNTY DEBT MANAGEMENT POLICY:

The Finance Director explained the intent of the resolution to the committee. These funds will be used by the Authority to complete the next phase of the expansion and serve as the

Authority's matching portion of the grant from the FAA, as mentioned in the previous agenda item.

John Black explained that the project includes 24,000 sq. ft. of hanger and 13,000 sq. ft. of office complex, along with the roads and utilities.

Comm. Shafer moved, seconded by Comm. Jordan to authorize the issuance of \$2.5 million GO Bond for the Airport, approving the issuance of \$4.2 million Airport Revenue Bonds of the Airport Authority, and amending the County Debt Management Policy by adding a new subsection A. 6., that states "The following provisions are applicable to debt issued for the benefit of the Smyrna/Rutherford County Airport Authority and supersede any contrary provisions otherwise set forth in the Policy. Debt to be issued to finance a loan for capital improvements to the Smyrna/Rutherford County Airport Authority (the "Airport Authority") or to make a loan to the Airport Authority to finance such capital improvements shall be approved by the Governing Body. All debt issued for the benefit of the Airport Authority shall be payable from the revenues of the Airport Authority. The County may elect to additionally secure such debt with a full faith and credit pledge of the County, if the Governing Body determines that it is in the County's best interest to do so."

The motion passed unanimously by roll call vote.

GENERAL FUND BUDGET AMENDMENTS

CORRECTIONAL WORK CENTER:

The Finance Director requested approval of a budget transfer for the Correctional Work Center to repair the HVAC system by purchasing a refurbished compressor, which includes a 5-year maintenance agreement:

From: 101-54220-399 – Other Contracted Serv. -	\$ 33,500
To: 101-54220-335 – Maint./Repair Buildings -	\$ 33,500

Comm. Sandlin moved, seconded by Comm. Baum to approve the budget transfer for the Correctional Work Center as requested.

The motion passed unanimously by roll call vote.

JUVENILE DETENTION:

At the September 12, 2013 County Commission meeting, a resolution was adopted authorizing the County Mayor to submit a Title 1 grant application to the Tennessee Alliance for Children and Families, requiring no matching funds. Lynn Duke, Director, was present to request approval of the following budget amendment to recognize revenue to be received from the grant and appropriate the following expenditures:

Increase Revenues:	101-47141	– Title I Grants -	\$78,131
Increase Expend.:	101-54240-169-TITL1	– Part-time Pers -	\$12,636
	101-54240-189-TITL1	– Other Salaries -	\$42,710
	101-54240-201-TITL1	– Soc. Security -	\$ 3,432
	101-54240-204-TITL1	– State Retire -	\$ 5,747
	101-54240-209-TITL1	– Disabil. Ins -	\$ 79
	101-54240-212-TITL1	– Empl. Medicare	\$ 803
	101-54240-336-TITL1	– Maint & Rep-	\$ 734
	101-54240-399-TITL1	– Other Con. Svc	\$ 300
	101-54240-429-TITL1	– Instr. Supp	\$ 6,960
	101-54240-499-TITL1	– Other Supp.	\$ 3,392
	101-54240-599-TITL1	– Other Chgs	\$ 1,338

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget amendment for Juvenile Detention as requested.

The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT:

Joe Russell, Chief Deputy, was present to request approval of a budget transfer for the Sheriff Department to provide funding for veterinary bills:

From: 101-54110-716 – LE Equipment -	\$ 2,300
To: 101-54110-357 – Vet Services -	\$ 2,300

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfer for the Sheriff's Department as requested.

The motion passed unanimously by roll call vote.

SPECIAL PURPOSE (DEA) FUND BUDGET AMENDMENT:

Joe Russell requested approval of the following budget amendment recognizing revenue in the amount of \$191 received from Asset Forfeitures and appropriating it for Confidential Drug Enforcement:

Increase Revenue:	121-47700 – Asset Forfeitures -	\$191
Increase Expend.:	121-54110-319 – Conf. Drug Enfor. -	\$191

Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget amendment for the Special Purpose (DEA) Fund as requested.

The motion passed unanimously by roll call vote.

REQUEST FROM CITY OF MURFREESBORO FOR UTILITY EASEMENTS:

Mayor Burgess requested approval to sell utility easements to the City of Murfreesboro for the bridge project over Broad Street. A total of 10,536 square feet has been requested on the Maintenance and Archive Department properties for \$60,221. These easements are in two tracts, both being a part of Map 91K, Group C, Parcel 53.00. Tract 1 commencing from the northeasterly corner of the above mentioned parcel and the easterly right-of-way of Memorial Blvd; then, along said right-of-way and northern property line of said parcel, S 26°50'27" W, a distance of 12.07' to the point of beginning; then, leaving said northerly property line and right-of way, S 60°20'23" E, a distance of 383.14' to the southerly property line of the above mentioned parcel and the northerly right-of-way of Rice St; then along said property line, S 10°03'43" W, a distance of 21.21'; then, leaving said right-of-way and southerly property line, N 60°20'23" W, a distance of 389.27' to the northerly property line of the above mentioned parcel and the easterly right-of-way of Memorial Blvd; then, along said right-of-way and property line N 26°50'27" E, a distance of 20' to the point of beginning. Tract 2 being a strip 25' in width adjacent and parallel to the right-of-way of Memorial Blvd extending and terminating at the north and south property line of the above mentioned parcel, less and except the area occupied by the existing building.

Comm. Jordan moved, seconded by Comm. Sandlin to approve the sale of these easements to the City of Murfreesboro.

The motion passed unanimously by roll call vote.

EMS LEASE WITH SETON CORPORATION:

Mayor Burgess and Mike Nunley, Director of Emergency Medical Services, presented a lease with Seton Corporation for property at 611 East Lytle (currently PACE center) and 604 East Burton. The property adjacent to these two addresses currently houses an ambulance station and administrative offices and will be included under the new lease. It's anticipated a new ambulance station will be constructed. The property at 611 East Lytle will be used for emergency services administrative offices. The lease is for 50 years for a total payment of \$50. Mayor Burgess noted that there are some changes to the lease agreement that are being requested of Seton Corporation.

Comm. Jernigan moved, seconded by Comm. Shafer to approve the lease with Seton Corp with changes noted.

The motion passed unanimously by roll call vote.

REQUEST FOR FUNDING FOR SMYRNA PRIMARY SCHOOL RENOVATION:

Gary Clardy, Assistant Superintendent, gave an overview of the project as it has been designed. With the changes designed, there would be a net gain of 3 classrooms, addition of a library and media center and renovation of the cafeteria.

Funding would be from a future bond issue and other revenues from the school system.

Comm. Jernigan moved, seconded by Comm. Sandlin to approve funding of \$2.2 million for the renovation and addition to Smyrna Primary School.

The motion passed by roll call vote with Commissioners Peay and Shafer voting "no."

RESOLUTION AUTHORIZING \$9.3 MILLION GO CAPITAL OUTLAY NOTES

The Finance Director presented a resolution authorizing \$9.3 million GO capital outlay notes. This issue will pay off an issue that is due in January 2014. The Finance Director also stated that the plan is to pay off this issue through a long term bond issue in April 2014.

Comm. Jordan moved, seconded by Comm. Peay to approve a resolution to issue GO capital outlay notes in the amount of \$9.3 million.

The motion passed unanimously by roll call vote.

ADJOURNMENT:

There being no further business to be presented, Chairman Ealy declared the meeting adjourned at 6:46 P.M.

Mark Tucker, Secretary